

Senate Study Bill 3290

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the exemption from the state inheritance tax
2 of property passing to certain nieces and nephews and
3 including an applicability date provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6601XC 82
6 mg/rj/14

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1 1 Section 1. Section 450.7, subsection 1, unnumbered
1 2 paragraph 1, Code 2007, is amended to read as follows:
1 3 Except for the share of the estate passing to the surviving
1 4 spouse, and parents, grandparents, great-grandparents, and
1 5 other lineal ascendants, children including legally adopted
1 6 children and biological children entitled to inherit under the
1 7 laws of this state, stepchildren, and grandchildren,
1 8 great-grandchildren, and other lineal descendants, and persons
1 9 identified in section 450.10, subsection 7, the tax is a

1 10 charge against and a lien upon the estate subject to tax under
1 11 this chapter, and all property of the estate or owned by the
1 12 decedent from the death of the decedent until paid, subject to
1 13 the following limitation:

1 14 Sec. 2. Section 450.9, Code 2007, is amended to read as
1 15 follows:

1 16 450.9 INDIVIDUAL EXEMPTIONS.

1 17 In computing the tax on the net estate, the entire amount
1 18 of property, interest in property, and income passing to the
1 19 surviving spouse, and parents, grandparents,
1 20 great-grandparents, and other lineal ascendants, children
1 21 including legally adopted children and biological children
1 22 entitled to inherit under the laws of this state,
1 23 stepchildren, and grandchildren, great-grandchildren, and
1 24 other lineal descendants, and persons identified in section
1 25 450.10, subsection 7, are exempt from tax.

1 26 Sec. 3. Section 450.10, subsection 2, unnumbered paragraph
1 27 1, Code 2007, is amended to read as follows:

1 28 When the property or interest in property or income from
1 29 property, taxable under this chapter, passes to a person not
1 30 included in subsections 1 and, 6, and 7, the rate of tax
1 31 imposed on the individual share so passing shall be as
1 32 follows:

1 33 Sec. 4. Section 450.10, Code 2007, is amended by adding
1 34 the following new subsection:

1 35 NEW SUBSECTION. 7. In the case of a decedent who is not
2 1 married at the time of death, property, interest in property,
2 2 or income passing to a niece or nephew is not taxable under
2 3 this section.

2 4 Sec. 5. APPLICABILITY DATE. This Act applies to decedents
2 5 dying on or after the effective date of this Act.

2 6 EXPLANATION

2 7 This bill exempts from the inheritance tax property,
2 8 interest in property, or income passing to a niece or nephew
2 9 of the decedent if the decedent is not married at the time of
2 10 death.

2 11 The bill applies to decedents dying on or after the
2 12 effective date of the bill.

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